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BRITISH COLUMBIA

Performance Plan 2001-2002 - 2003-2004

PUBLIC SECTOR
PSEC
EMPLOYERS' COUNCIL SECRETARIAT

April 30, 2001

Transmittal Letters

The Honourable Garde B. Gardom, Q.C.
Lieutenant-Governor of British Columbia

I have the honour of submitting the Performance Plan for the Public Sector Employers' Council Secretariat.

This report is presented in accordance with section 13 of the *Budget Transparency and Accountability Act* and covers the period from April 1, 2001 to April 1 2004.

Paul Ramsey

Paul Ramsey
Minister of Finance
and Corporate Relations

Minister:

I am pleased to submit the 2001/2002 - 2003/2004 Performance Plan for the Public Sector Employers' Council Secretariat.

R. L. Connolly
Chief Executive Officer
and Secretary to Council

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Introduction

The Public Sector Employers' Council Secretariat is responsible for providing support to, and co-ordinating the implementation of, Council's directives on labour relations and human resources in the provincial public sector. The purpose of this performance plan is to convey significant actions for the years 2001-2002 - 2003-2004 that support the Council's long-term goals and objectives.

Legislative Mandate

The purpose and direction of PSEC as set out in *Public Sector Employers Act* is:

- To set and co-ordinate strategic directions in human resource management and labour relations,
- To advise the government on human resource issues with respect to the public sector, and
- To provide a forum to enable public sector employers to plan solutions to human resource issues, consistent with cost efficient and effective delivery of services in the public sector.
- In addition, it is a function of the council to enable representatives of public sector employees to consult with public sector employers on policy issues that directly affect the employees.

These activities are directed by a council made up of eight Ministers or Deputy Ministers, the Commissioner of the Public Service, and a representative from each of the six public sector employers' associations (see below). The Minister of Finance and Corporate Relations chairs the 15-member council.

The Council is supported by the Secretariat, which carries out the work of the Council. In addition to administering and managing the development and implementation of labour relations and human resources policies and practices in the public sector, the Secretariat promotes and builds co-operative relationships between government, public sector employers' associations, and employee representatives. Secretariat representatives are members on association boards, joint labour-management committees, and participate in other partnership initiatives. The Secretariat also manages the administration of funds for the province's Public Sector Youth Employment Program

The *Act* also established Employers' Associations for each of the public sectors (excluding the public service sector, which is represented by the Public Service Employee Relations Commission under the Public Service Act). Each of the employers' associations co-ordinates the following for their respective sector:

- compensation for employees who are not subject to collective agreements;
- benefit administration;
- human resources practices;
- collective bargaining outcomes.

In addition, it is a purpose of each of the employers' associations to:

- foster consultation between the association and representatives of employees in that sector;
- assist the council in carrying out any objectives and strategic directions established by the council for the employers' association.

The following employers' associations are accredited bargaining agents for their sector:

- Health Employers Association of British Columbia
- British Columbia Public School Employers Association
- Public Service Employee Relations Commission
- Community Social Service Employers Association

The following employers' associations co-ordinate collective bargaining information and provide collective bargaining assistance and services to employers in their sector.

- Post Secondary Employers Association
- University Public Sector Employers' Association
- Crown Corporation Employers' Association

Funding

PSEC Secretariat plays an integral role in the management of approximately $15.4 billion that the province spends compensating almost 300,000 public sector employees. This represents about 2/3 of government's annual budget.

The majority of the funding for PSEC Secretariat is operating funds that supports staffing, administration and related costs for the core functions of the Secretariat. A sizeable portion of the Secretariat's funds are also used for job creation grants delivered though the Public Sector Youth Employment Program.

Vote 56 – Public Sector Employers' Council Secretariat

	1999/00			2000/01	
Description	FTE's	Budgeted Expenditure ($)	Actual Expenditure ($)	FTE's	Voted Expenditure ($)
PSEC	16.5	1,661,000	1,592,669	16.5	1,624,000
YOUTH	1.5	1,500,000	1,388,629	1.5	1,495,000
TOTAL	**18**	**3,161,000**	**2,981,298**	**18**	**3,119,000**

Vision, Mission, and Values

Vision

The Secretariat is dedicated to working co-operatively with Employers Associations, Ministries and Government to build upon the strengths of the public sector. To this end the Secretariat vision is *an effective, efficient, and valued public sector labour force.*

Mission

The Mission of the Secretariat is to *co-ordinate shared leadership of public sector labour relations and human resources in British Columbia.*

Values

The Secretariat is committed to conducting its business in accordance with the following values:

Accountability - PSEC Secretariat is committed to the Balanced Budget and Transparency Act and will design its programs and organisational management in a manner that embodies this commitment.

Collaboration - The parts are made greater by the whole when efforts are co-ordinated and long term strategies and approaches to the challenges facing the secretariat and each employers' association are shared.

Professionalism - PSEC Secretariat values respectful professional behaviours in daily actions, which focus on the integrity of individuals and organizations.

Core Business

The core business of the Secretariat is to:

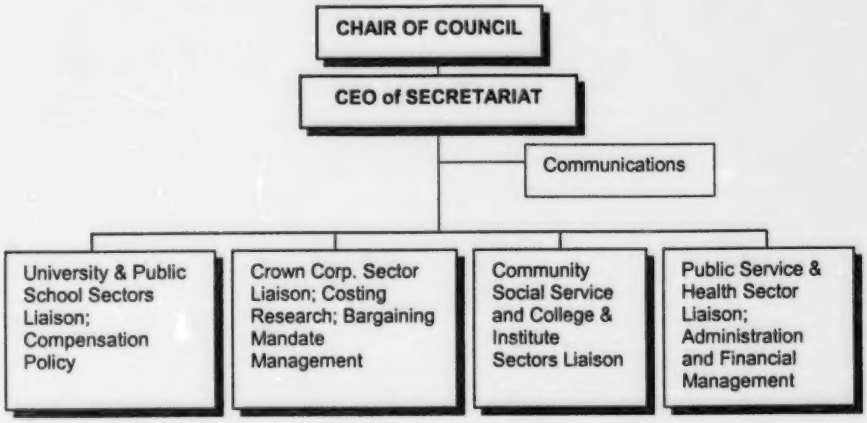
- To develop public sector wide collective agreement bargaining strategies and mandates; co-ordinate their implementation; and bring them in on target.

- In co-operation with employers' associations, government and appropriate stakeholders, identify, develop and advise on various labour relations and human resource issues strategies and policies for broader provincial public sector

- Provide forward-looking leadership on public sector labour relations and human resources issues.

Organization

The Secretariat is a small organization structured around managing labour relations and human resource polices such as bargaining mandates. In addition the organization also facilitates the co-ordination and provision of strategic advice on labour relations and human resources.


CHAIR OF COUNCIL
CEO of SECRETARIAT
Communications
University & Public School Sectors Liaison; Compensation Policy
Crown Corp. Sector Liaison; Costing Research; Bargaining Mandate Management
Community Social Service and College & Institute Sectors Liaison
Public Service & Health Sector Liaison; Administration and Financial Management

Environmental Scan

Approximately 2/3 of government's annual budget goes toward compensating approximately 300,000 public sector employees. Each 1 per cent increase in public sector compensation adds an estimated $154 million to provincial public sector costs. In the fiscal year 2001/2002 contracts covering in the order of 170,000 employees will expire. The largest contracts are health workers (74,000 FTE), Government (37,000 FTE), and Teachers (36,000 FTE). After nearly a decade of limited wage lifts, and growing labour market demand for a variety specialised skills required by the public sector, the pressure for increases in compensation are significant.

Over the coming decade a major shift in demographics will result in considerable recruitment and retention challenges for the public sector. A large exodus of employees is expected due to retirement from the public sector. At the same time the age group of the population that would be available as replacement employees is significantly smaller.

The public desire for an increase in taxation is limited. This will necessitate the management of labour relations and human resources challenges within government's financial resources.

It will be vital for the Secretariat, as a co-ordinating agency of government and employers' associations, to facilitate the settlement of outstanding collective agreements in a timely manner, with minimal workplace disruption, and within government's ability to pay. Over the longer term, the Secretariat will need to

develop a comprehensive approach to responding to the emerging recruitment and retention issues that will be faced by the public sector over the next decade. The purpose of this performance plan is to state the Secretariat's important actions to be undertaken in the year 2001/02 -2002/03 that directly support the goals and objectives described in this document.

Goals and Objectives

Goal # I. **Employers' Associations achieve collective agreements within government's fiscal parameters.**

Objectives:

1. Create a public sector wide bargaining strategy and mandate.
2. Co-ordinate collective bargaining strategy and mandate implementation.
3. Bring bargaining strategy and mandate in at target cost.

Goal # II. **Improved public sector recruitment and retention practices**

Objectives:

1. Competitive compensation practices
2. Improve co-ordination and accountability of executive compensation practices.
3. Improve entry level public sector recruitment

Goal # III. **Improved labour relations and human resources development and planning.**

Objectives:

1. Co-ordinated planning practices

The tables on the following pages identify activities and strategies planned to achieve the goals and objectives identified above. Key measures and desired outcomes are identified for each objective. These measures will be monitored to evaluate success in fulfilling the objectives.

SECRETARIAT GOAL I: Employers' associations achieve collective agreements within government's fiscal parameters.

Objective#1: Create a public sector wide bargaining strategy and mandate.

Strategies and Activities	Key Performance Measures/Desired Outcomes for this Objective
➢ Work with employers' associations, funding ministries and Treasury Board Staff; to research, cost and develop a bargaining strategy and mandate for the broader public sector.	➢ **Approval of bargaining strategy and mandate by Employers' Associations** ➢ **Approval of bargaining strategy and mandate by Treasury Board.** ➢ **Approval of bargaining strategy and mandate by Public Sector Employers' Council.**

Objective#2: Co-ordinate collective bargaining strategy and mandate implementation.

Strategies and Activities	Key Performance Measures/Desired Outcomes for this Objective
➢ Review and evaluate sectoral specific bargaining mandates and strategies; recommend ways for improved bargaining table success.	➢ **Number of sectoral specific bargaining strategies in concordance with broader public sector mandate aims and principles.** Target: All public sector employers' associations have sectoral specific strategies for reaching collective agreements within mandate.
➢ Provide on-going and timely forums and mediums for sharing of developments in public sector bargaining.	➢ **Yearly survey of Employers' Association satisfaction.** Target: 100% satisfaction with the effectiveness and value of information delivered to Employers' Associations for implementation of bargaining mandate.

Objective#3: Bring bargaining strategy and mandate in at target cost.

Strategies and Activities	Key Performance Measures/Desired Outcomes for this Objective
➢ Analyze the cost of settlements reached by public sector employers' associations and/or employers.	➢ **The total cost of collective agreement settlements as a proportion of cash limit mandate allocation for each sector.** Target: All public sector collective agreements within mandate.
➢ Evaluate and prepare recommendations for government approval of settlements according to mandate.	➢ **Number of settlements within mandate allotment approved by government.** Target: 100% of settlements approved within mandate

SECRETARIAT GOAL II: Improved public sector recruitment and retention practices

Objective #1: Competitive Compensation Practices

Strategies and Activities	Key Performance Measures/Desired Outcomes for this Objective
➢ Ensure sectoral bargaining strategies and mandates are in line with labour market demands.	➢ **Settlements comparable with private sector and other public sector jurisdictions.** Target: All Public sector wages competitive with relevant wages in the private sector and in other jurisdictions.
➢ Develop criteria for the successful targeting and tracking of funds mandated for market adjustment of salaries for recruitment and retention purposes.	➢ **Number of employees recruited and/or retained due to market adjustment strategies and funds:** Target: Compensation practices reduce recruitment pressure for targeted high demand jobs.

Objective #2: Improve Co-ordination and Accountability of Executive Compensation Practices

Strategies and Activities	Key Performance Measures/Desired Outcomes for this Objective
➢ Update executive compensation plans for each sector according to PSEC guidelines.	➢ **Number of employers' associations with executive compensation plans with salaries in the median of their relative comparitor markets.** Target: 100% of employers' associations and/or employers with updated executive compensation plans with a compa-ratio of 100%
➢ Improve monitoring and compliance with Employment Termination Standards of Public Sector Employers Act.	➢ **Number of severance and exempt employment contracts that fall within Employment Termination Standards.** Target: enhanced compliance.
➢ Establishment of an advisory panel and implement other recommendations of the Korbin executive compensation review panel for improved accountability of executive compensation practices.	➢ **Executive compensation advisory panel established**

Objective #3: Improve entry level public sector recruitment

Strategies and Activities	Key Performance Measures/Desired Outcomes for this Objective
Administer of job creation grants for the Public Sector Youth Employment Program to produce: ➢ As many jobs per project as possible ➢ Equitable distribution of jobs by sector and region ➢ Monitor demand for grants that exceed program funds	➢ **Number of projects and actual hires delivered by the Public Sector Youth Employment Program.** Target: Using $1.048 Million create a minimum of 155 jobs and a minimum of 40 projects. ➢ **Regional and sectoral distribution of jobs and projects.** Target: Equitable distribution of Public Sector Youth Employment Program funds. ➢ **Total applications received and average value of grants.** Target: Measure of demand for Public Sector Youth Employment Program funds.